

# SENATE BILL 830

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2lr1219

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By: **Senator Ramirez**

Introduced and read first time: February 3, 2012

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Condominiums and Homeowners Associations – Abandoned**  
3 **Property**

4 FOR the purpose of authorizing the governing body of a condominium or homeowners  
5 association to send a mortgagee certain notice that the property subject to the  
6 mortgage in the condominium or homeowners association has been deemed  
7 abandoned; providing that within a certain time period any fines, fees,  
8 assessments, or obligations owed to the governing body of the condominium or  
9 homeowners association in connection with the abandoned property shall have  
10 first lien priority under certain circumstances; defining certain terms; and  
11 generally relating to abandoned property in a condominium or homeowners  
12 association.

13 BY adding to

14 Article – Real Property  
15 Section 11–110.1 and 11B–117.1  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2011 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Real Property**

21 **11–110.1.**

22 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
23 **MEANINGS INDICATED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2) “ABANDONED PROPERTY” MEANS ANY VACANT PROPERTY IN**  
2 **CONNECTION WITH WHICH A DELINQUENCY EXISTS WITH RESPECT TO THE**  
3 **PAYMENT OF A FINE, ASSESSMENT, FEE, OR OBLIGATIONS OWED TO A:**

4                   **(I) GOVERNING BODY OF A CONDOMINIUM; OR**

5                   **(II) LOCAL GOVERNMENT IN WHICH THE CONDOMINIUM IS**  
6 **LOCATED.**

7           **(3) “VACANT PROPERTY” MEANS ANY PROPERTY LOCATED IN A**  
8 **CONDOMINIUM THAT:**

9                   **(I) HAS REMAINED CONTINUOUSLY UNOCCUPIED FOR 120**  
10 **DAYS OR MORE;**

11                   **(II) IS NOT CURRENTLY LISTED WITH ANY REAL ESTATE**  
12 **AGENT OR BROKER; AND**

13                   **(III) HAS BEEN DENOTED AS “VACANT PROPERTY” BY:**

14                           **1. THE GOVERNING BODY OF THE CONDOMINIUM;**

15                           **2. A LOCAL GOVERNMENT IN WHICH THE**  
16 **CONDOMINIUM IS LOCATED; OR**

17                           **3. A MORTGAGEE OR AGENT OF THE MORTGAGEE**  
18 **HOLDING A MORTGAGE ON THE PROPERTY.**

19           **(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
20 **GOVERNING BODY OF A CONDOMINIUM MAY PROVIDE NOTICE TO A MORTGAGEE**  
21 **OR AGENT OF THE MORTGAGEE THAT THE PROPERTY SUBJECT TO THE**  
22 **MORTGAGE HAS BEEN DEEMED ABANDONED PROPERTY.**

23                   **(2) SERVICE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL**  
24 **BE MADE BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT**  
25 **REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL**  
26 **SERVICE.**

27           **(C) (1) NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW, WITHIN**  
28 **60 DAYS AFTER NOTICE HAS BEEN PROVIDED TO A MORTGAGEE OR AGENT OF**  
29 **THE MORTGAGEE, ANY FINES, ASSESSMENTS, FEES, OR OBLIGATIONS,**  
30 **INCLUDING INTEREST AND PENALTIES, OWED TO THE GOVERNING BODY OF A**

1 CONDOMINIUM IN CONNECTION WITH THE ABANDONED PROPERTY SHALL HAVE  
2 FIRST LIEN PRIORITY.

3 11B-117.1.

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
5 MEANINGS INDICATED.

6 (2) "ABANDONED PROPERTY" MEANS ANY VACANT PROPERTY IN  
7 CONNECTION WITH WHICH A DELINQUENCY EXISTS WITH RESPECT TO THE  
8 PAYMENT OF A FINE, ASSESSMENT, FEE, OR OBLIGATION OWED TO A:

9 (I) GOVERNING BODY OF A HOMEOWNERS ASSOCIATION;  
10 OR

11 (II) LOCAL GOVERNMENT IN WHICH THE HOMEOWNERS  
12 ASSOCIATION IS LOCATED.

13 (3) "VACANT PROPERTY" MEANS ANY PROPERTY LOCATED  
14 WITHIN A HOMEOWNERS ASSOCIATION THAT:

15 (I) HAS REMAINED CONTINUOUSLY UNOCCUPIED FOR 120  
16 DAYS OR MORE;

17 (II) IS NOT CURRENTLY LISTED WITH ANY REAL ESTATE  
18 AGENT OR BROKER; AND

19 (III) HAS BEEN DENOTED AS "VACANT PROPERTY" BY:

20 1. THE GOVERNING BODY OF THE HOMEOWNERS  
21 ASSOCIATION;

22 2. A LOCAL GOVERNMENT IN WHICH THE  
23 HOMEOWNERS ASSOCIATION IS LOCATED; OR

24 3. A MORTGAGEE OR AGENT OF THE MORTGAGEE  
25 HOLDING A MORTGAGE ON THE PROPERTY.

26 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
27 GOVERNING BODY OF A HOMEOWNERS ASSOCIATION MAY PROVIDE NOTICE TO A  
28 MORTGAGEE OR AGENT OF THE MORTGAGEE THAT THE PROPERTY SUBJECT TO  
29 THE MORTGAGE HAS BEEN DEEMED ABANDONED PROPERTY.

1           **(2) SERVICE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL**  
2 **BE MADE BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT**  
3 **REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL**  
4 **SERVICE.**

5           **(c) (1) NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW, WITHIN**  
6 **60 DAYS AFTER NOTICE HAS BEEN PROVIDED TO A MORTGAGEE OR AGENT OF**  
7 **THE MORTGAGEE, ANY FINES, ASSESSMENTS, FEES, OR OBLIGATIONS,**  
8 **INCLUDING INTEREST AND PENALTIES, OWED TO THE GOVERNING BODY OF A**  
9 **HOMEOWNERS ASSOCIATION IN CONNECTION WITH THE ABANDONED PROPERTY**  
10 **SHALL HAVE FIRST LIEN PRIORITY.**

11           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2012.